

Defence

25 April 1977

MEMORANDUM FOR: Director of Central Intelligence

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FROM : [redacted]
SUBJECT : Your Meeting With The Secretary of Defense

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Your meeting with Secretary Brown will come at a time when the [redacted] drafting group has had its first meeting. As expected the first papers for that group address questions of the objectives of U.S. foreign intelligence, the assessment of recent experience, and a range of organizational options relating to the "problems" developed in Section I and II.

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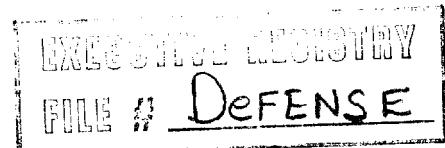
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Parallel to [redacted] you and Secretary Brown have had an active dialogue through a paper "Intelligence Structure and Mission--response to [redacted]" This paper was gone over again on Saturday by [redacted] and as it now stands the paper reflects agreement that:

--the basic issue is what organizational arrangements will most effectively serve the wide variety of intelligence needs of national, departmental and tactical users.

--and, most important, that in addressing that issue the three key elements of resource allocation, tasking, and day-to-day operational control can be separated (thus the DCI could have final resource authority while the day-to-day operational control of national collection assets would remain with SecDef). Thus all combinations of management techniques--from a Secretary of Defense



maintaining existing day-to-day control over national systems while gaining final authority over resource allocation and tasking to a DCI maintaining and/or assuming the same authority and responsibilities-- are now open for discussion.

In your discussion with Secretary Brown you might make the following points:

1. In assessing the intelligence community, it seems clear that, by and large, the structure for producing intelligence is basically sound.
2. The same could be said for the establishment of requirements and the process of tasking of the collection systems. At the same time, it must be said that the HUMINT effort is not well-coordinated and has to be pulled together.

You would, of course, like to hear the Secretary's assessment of the problems, if any, in intelligence production and tasking of collection systems. The Secretary might raise the issue of the transfer of tasking authority during crisis and wartime. It is unclear whether he holds this to be a real issue and it should be explored with him.

4. You might make the point that the most serious issue the intelligence community faces is that of resource rationalization and efficient management.

--resources available for use of the intelligence community will be increasingly constraint and may have to be reduced.

--by far the largest portion of the intelligence budget is devoted to collection. It is here that saving must be sought.

--within these constraints the intelligence community is going to have to provide high quality intelligence support to a multiplicity of consumers.

5. If this is the case and more attention must be given to resource rationalization and effective management, do we need a more centralized management of resources? Your position might be that a greater centralization of management is required, but clearly it cannot be at the expense of the Secretary of Defense's requirements for immediately responsive intelligence assets in crisis and in wartime. The issue is

how to balance the advantages of greater centralization with the continuing need of meeting the diverse needs of many consumers.

6. You might then ask the Secretary as to his view of the advantages and the feasibility of a reorganization of the intelligence community whereby the DCI would have final responsibility for allocating all national intelligence resources while the Secretary of Defense and the program directors of NSA, the reconnaissance of programs and other DoD activities including DIA would retain responsibility for managing the day-to-day collection and production of intelligence (he might ask you whether you could accept SecDef control of CIA's budget while you continue to "run" the Agency).

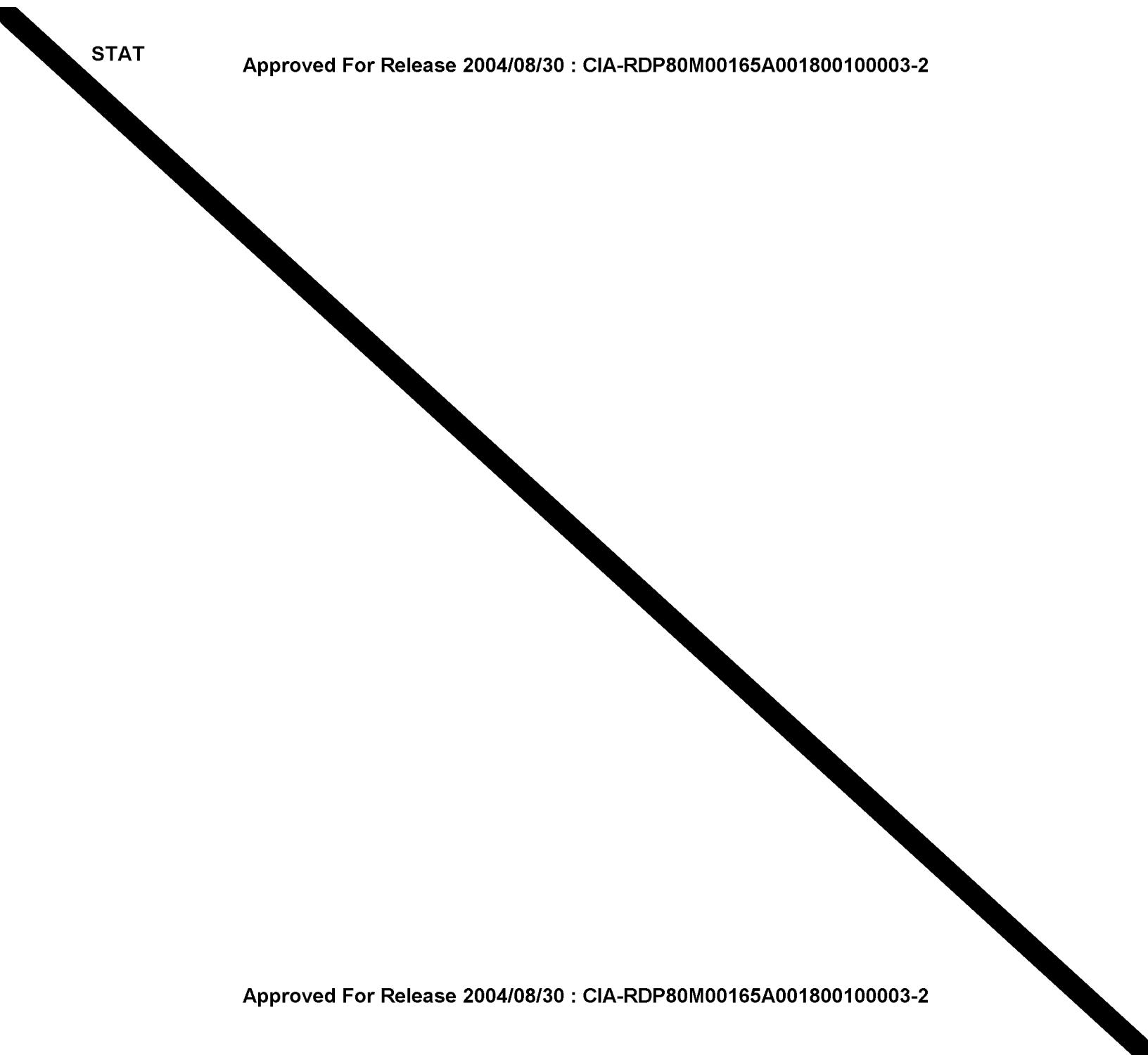
In general, the session with the Secretary should serve two basic purposes:

1. To confirm that he accepts the concept or principle that resource allocation, tasking, and day-to-day operations can be separated.
2. To elicit his ideas on the problems of the intelligence community and what organizational arrangements will most effectively meet those problems.



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